

**FORECLOSURE SALE OF PROPERTY SUBJECT TO AN OIL
OR GAS LEASE****CHAPTER 461**

H.B. No. 2207

AN ACT**relating to the foreclosure sale of property subject to an oil or gas lease.***Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subtitle B, Title 5, Property Code, is amended by adding Chapter 66 to read as follows:

CHAPTER 66. SALE OF PROPERTY SUBJECT TO OIL OR GAS LEASE

Sec. 66.001. **SALE OF PROPERTY SUBJECT TO OIL OR GAS LEASE.** (a) *In this section:*

(1) "Mortgagee," "mortgagor," and "security instrument" have the meanings assigned by Section 51.0001.

(2) "Oil or gas lease" means an instrument conveying a fee simple determinable interest in a mineral estate covering oil, gas, or other hydrocarbons or a recorded memorandum of such an instrument.

(3) "Real property" means an estate covering the mineral interest in hydrocarbons or the mineral interest in hydrocarbons together with the surface overlying such mineral interest. The term does not include a surface interest or other interest that excludes a mineral interest in hydrocarbons.

(b) Notwithstanding any other law, an oil or gas lease covering real property subject to a security instrument that has been foreclosed remains in effect after the foreclosure sale if the oil or gas lease has not terminated or expired on its own terms and was executed and recorded in the real property records of the county before the foreclosure sale. An interest of the mortgagor or the mortgagor's assigns in the oil or gas lease, including a right to receive royalties or other payments that become due and payable after the date of the foreclosure, passes to the purchaser of the foreclosed property to the extent that the security instrument under which the real property was foreclosed had priority over the interest in the oil or gas lease of the mortgagor or the mortgagor's assigns.

(c) Notwithstanding Subsection (b), if real property that includes the mineral interest in hydrocarbons together with the surface overlying such mineral interest is subject to both an oil or gas lease and a security instrument and the security interest is foreclosed, the foreclosure sale terminates and extinguishes any right granted under the oil or gas lease for the lessee to use the surface of the real property to the extent that the security instrument under which the real property was foreclosed had priority over the rights of the lessee under the oil or gas lease.

(d) An agreement, including a subordination agreement, between a lessee of an oil or gas lease and a mortgagee of real property or the lessee of an oil or gas lease and the purchaser of foreclosed real property controls over any conflicting provision of this section. An agreement between a mortgagor and mortgagee may not modify the application of this section unless the affected lessee agrees to the modification.

(e) This section does not apply to a security instrument that does not attach to a mineral interest in hydrocarbons in the mortgaged real property.

SECTION 2. Chapter 66, Property Code, as added by this Act, applies only with respect to a foreclosure sale for which the notice of sale is given under Section 51.002, Property Code, on or after the effective date of this Act or a judicial foreclosure for which the judicial foreclosure action commenced on or after the effective date of this Act.

SECTION 3. This Act takes effect January 1, 2016.

Passed by the House on May 4, 2015: Yeas 140, Nays 0, 2 present, not voting; passed by the Senate on May 20, 2015: Yeas 31, Nays 0.

Approved June 15, 2015.

Effective January 1, 2016.

**JURISDICTION IN AN EMINENT DOMAIN PROCEEDING IN
HARRIS COUNTY**

CHAPTER 462

H.B. No. 2536

AN ACT

relating to jurisdiction in an eminent domain proceeding in Harris County.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 25.1032, Government Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) A county civil court at law has exclusive jurisdiction in Harris County of eminent domain proceedings, both statutory and inverse, *if the amount in controversy in a statutory proceeding does not exceed the amount provided by Section 25.0003(c) in civil cases. Notwithstanding Section 21.013, Property Code, a party initiating a condemnation proceeding in Harris County may file a petition with the district clerk when the amount in controversy exceeds the amount provided by Section 25.0003(c). The amount in controversy is the amount of the bona fide offer made by the entity with eminent domain authority to acquire the property from the property owner voluntarily [regardless of the amount in controversy].*

(d) In addition to other jurisdiction provided by law, a county civil court at law has jurisdiction to:

- (1) decide the issue of title to real or personal property;
- (2) hear a suit to recover damages for slander or defamation of character;
- (3) hear a suit for the enforcement of a lien on real property;
- (4) hear a suit for the forfeiture of a corporate charter;
- (5) hear a suit for the trial of the right to property valued at \$200 or more that has been levied on under a writ of execution, sequestration, or attachment; and
- (6) hear a suit for the recovery of real property.

SECTION 2. The change in law made by this Act applies only to an eminent domain proceeding for which a petition is filed on or after the effective date of this Act. An eminent domain proceeding for which a petition is filed before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2015.

Passed by the House on April 30, 2015: Yeas 132, Nays 7, 2 present, not voting;
passed by the Senate on May 19, 2015: Yeas 22, Nays 9.

Approved June 15, 2015.

Effective September 1, 2015.